



The Task Force on Court Facilities  
455 Golden Gate Avenue, San Francisco, CA 94102-3660

**FINANCE AND IMPLEMENTATION COMMITTEE**  
**Conference Call Report**  
Wednesday, June 21, 2000

<b>TASK FORCE ATTENDEES:</b> None	<b>PRESENTERS:</b> None
<b>COMMITTEE MEMBERS:</b> <b>PRESENT:</b> Mr. David Janssen, Chair Mr. Greg Abel Mr. Fred Klass Hon. Charles Smith Hon. Diane Wick	<b>TASK FORCE STAFF:</b> None
<b>ABSENT:</b> None	<b>CONSULTANTS TO THE TASK FORCE:</b> Dr. Thomas Gardner, VITETTA Ms. Kit Cole, VITETTA
	<b>GUESTS:</b> Mr. Rubin Lopez, CSAC (Others may have been present but not identified on the telephone)

*This conference call was rescheduled from June 20th due to conflicts in committee members' schedule*

**Committee agenda**

1. Review list of outstanding issues for resolution
2. Review legislation and provide comments/feedback to consultants

**Agenda Item #1 – Outstanding issues**

Outstanding issues discussed by the Committee included the following:

1. Historic buildings
2. Mixed-use buildings
3. Parking
4. Pipeline
5. Transition timeframe
6. First right of refusal
7. Operations and maintenance payments from the counties to the state

These issues were resolved as follows, with the following left unresolved:

The following is a table that summarizes the issues resolved by the Committee at the meeting, particularly as related to issues #1 through #7, above, as well as those issues that remain outstanding.

<b>Issues Resolved</b>	<b>Issues Outstanding</b>
<b><i>Ownership or Responsibility</i></b>	
The state shall be fully responsible for all court facilities, including providing facilities for current and future judges and staff.	
Ownership may include holding fee title or may be accomplished through lease contracts.	
“State” could be the Judicial Council, the Department of General Services or another entity that holds the title.	
Responsibilities of parties to any lease contract shall be established in the lease.	
<b><i>Principles for Transfer</i></b>	
The state shall not hold counties liable for deferred maintenance.	
Notwithstanding mutual agreement, new mandates should not be placed on the counties as a condition of the transfer.	
Certain special classes of facilities, such as historically significant facilities, may or may not transfer, but may be leased by the state for court use.	Should buildings considered “historic” have to be registered at the state and/or federal levels?
Assessment of deferred maintenance will not be a condition of transfer.	
<b><i>Fiscal Neutrality</i></b>	
The control of court facilities should transfer to the state without a "windfall" to either the counties or the state and without changing or upsetting the underlying revenue sources for the existing operations and maintenance of court facilities.	
Either the existing debt service revenues will transfer to the state with the debt, or if not transferred, the facilities will be leased at minimal cost to the state until the county retires the debt.	
Title will transfer without payment for capitalized value of buildings.	
Existing operations and maintenance costs shall continue to be funded by the counties indefinitely.	How will the MOE between the state and counties for the amount of operations and maintenance be determined? Three options: 1. Per square foot calculation 2. Historical data 3. Formula based on 810 allowable/unallowable
Determination of appraised value shall not be necessary as a condition of transfer.	
Revenue generated by the Courthouse Construction fees will transfer from the counties to the state	How should the Courthouse Construction revenue be allocated? Three options: 1. Administer court facility funds in a similar fashion to Family Law funds and deposit all funds collected by the counties into a central state pool that is allocated annually by the Judicial Council.  2. Allocate portions of the fund collected back to the county where the money originated.  3. Allocated all or a portion of the funds based upon the amount of square footage court space in each county.

<b>Implementation Issues</b>	
Responsibility for providing court facilities shall transfer from the counties to the state, without a deadline to do so.	
The state and counties will negotiate on a county-by-county and building-by-building basis in order to determine the most optimal way to provide court facilities in that county.	Should certain issues (i.e., state equity in county buildings, which party pays to move a group out of a space and into new space) regarding mixed-use and historical buildings be resolved by the Committee or be left to the negotiation team?
The AOC, the local court and the county will participate in the negotiations regarding the buildings. The Department of General Services will participate in the negotiations as an observer only.	Who should be the final arbiter of disputes between the state and the counties? 1. Department of Finance 2. Department of General Services 3. Other
Projects in the “pipeline” will transfer to the state	Is the following language acceptable to the Committee?  “Any county which has allocated, approved, appropriated, or committed, by resolution or ordinance, county general funds for a court facility capital outlay project, shall transfer those funds to the state on or before _____, for allocation by the state for court facilities in that county.”  Should the Committee recommend a method to incentivize keeping county general fund money in the process outside of simply requiring the transfer of funds? Should the Committee consider recommending emergency legislation to implement a shared cost of partial reimbursement of general funds committed for construction costs for projects initiated after a date certain?
State receives the right to dispose of surplus property when title transfer to the state	Should the Committee consider requesting specific first right of refusal language in legislation regarding this issue?

### **Agenda Item #2 – Legislation**

Chairman Janssen requested that the Committee in its future meetings focus on resolving the outstanding issues, as opposed to drafting specific legislative language. Chairman Janssen requested that any members of the Committee who had changes to the legislation in its current form provide written comments to the consultants.

After some discussion, the Committee determined that specific legislative language legislation was not necessary at this time in light of the consultants’ preparation of a white paper for the July 27 meeting in Sacramento that will include consensus issues to date and issues still to be resolved.